

SECOND REGULAR SESSION

HOUSE BILL NO. 1896

91ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES BARRY, FRASER, GRATZ (Co-sponsors),
BONNER AND HOPPE.

Read 1st time February 12, 2002, and 1000 copies ordered printed.

TED WEDEL, Chief Clerk

4497L.011

AN ACT

To repeal section 144.020, RSMo, and to enact in lieu thereof one new section relating to a sales tax exemption for health and fitness centers.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Section 144.020, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 144.020, to read as follows:

144.020. 1. A tax is hereby levied and imposed upon all sellers for the privilege of engaging in the business of selling tangible personal property or rendering taxable service at retail in this state. The rate of tax shall be as follows:

(1) Upon every retail sale in this state of tangible personal property, including but not limited to motor vehicles, trailers, motorcycles, mopeds, motortricycles, boats and outboard motors, a tax equivalent to four percent of the purchase price paid or charged, or in case such sale involves the exchange of property, a tax equivalent to four percent of the consideration paid or charged, including the fair market value of the property exchanged at the time and place of the exchange, except as otherwise provided in section 144.025;

(2) A tax equivalent to four percent of the amount paid for admission and seating accommodations, or fees paid to, or in any place of amusement, entertainment or recreation, games and athletic events;

(3) A tax equivalent to four percent of the basic rate paid or charged on all sales of electricity or electrical current, water and gas, natural or artificial, to domestic, commercial or industrial consumers;

(4) A tax equivalent to four percent on the basic rate paid or charged on all sales of local and long distance telecommunications service to telecommunications subscribers and to others through equipment of telecommunications subscribers for the transmission of messages and

19 conversations and upon the sale, rental or leasing of all equipment or services pertaining or
20 incidental thereto; except that, the payment made by telecommunications subscribers or others,
21 pursuant to section 144.060, and any amounts paid for access to the Internet or interactive
22 computer services shall not be considered as amounts paid for telecommunications services;

23 (5) A tax equivalent to four percent of the basic rate paid or charged for all sales of
24 services for transmission of messages of telegraph companies;

25 (6) A tax equivalent to four percent on the amount of sales or charges for all rooms,
26 meals and drinks furnished at any hotel, motel, tavern, inn, restaurant, eating house, drugstore,
27 dining car, tourist cabin, tourist camp or other place in which rooms, meals or drinks are
28 regularly served to the public;

29 (7) A tax equivalent to four percent of the amount paid or charged for intrastate tickets
30 by every person operating a railroad, sleeping car, dining car, express car, boat, airplane and such
31 buses and trucks as are licensed by the division of motor carrier and railroad safety of the
32 department of economic development of Missouri, engaged in the transportation of persons for
33 hire;

34 (8) A tax equivalent to four percent of the amount paid or charged for rental or lease of
35 tangible personal property, provided that if the lessor or renter of any tangible personal property
36 had previously purchased the property under the conditions of "sale at retail" as defined in
37 subdivision (8) of section 144.010 or leased or rented the property and the tax was paid at the
38 time of purchase, lease or rental, the lessor, sublessor, renter or subrenter shall not apply or
39 collect the tax on the subsequent lease, sublease, rental or subrental receipts from that property.
40 The purchase, rental or lease of motor vehicles, trailers, motorcycles, mopeds, motortricycles,
41 boats, and outboard motors shall be taxed and the tax paid as provided in this section and section
42 144.070. In no event shall the rental or lease of boats and outboard motors be considered a sale,
43 charge, or fee to, for or in places of amusement, entertainment or recreation nor shall any such
44 rental or lease be subject to any tax imposed to, for, or in such places of amusement,
45 entertainment or recreation. Rental and leased boats or outboard motors shall be taxed under the
46 provisions of the sales tax laws as provided under such laws for motor vehicles and trailers.
47 Tangible personal property which is exempt from the sales or use tax under section 144.030 upon
48 a sale thereof is likewise exempt from the sales or use tax upon the lease or rental thereof;

49 **(9) A tax equivalent to four percent of the amount paid for admission and seating**
50 **accommodations, or fees paid to, or in any place of recreation, with the exception of**
51 **membership and other user fees paid to health and fitness centers. The sale of a**
52 **membership solely for health-benefit activities at a health and fitness center shall not be**
53 **taxable pursuant to this chapter. User fees charged by health and fitness centers, whether**
54 **charged to members or nonmembers, shall not be taxable pursuant to this chapter if the**

55 fee is charged solely for a health-benefit activity. The sale of a recreational membership
56 at a health and fitness center shall be taxed at the rate of four percent of the amount paid
57 for the membership. User fees charged by health and fitness centers, whether charged to
58 members or nonmembers, shall be taxed at the rate of four percent of the fee charged if the
59 fee is charged for a recreational activity. For purposes of this subdivision, the term
60 "health-benefit activities" means activities the primary purpose of which is to improve a
61 person's health and fitness, including but not limited to strength programs, running and
62 weight training; cardiovascular programs, exercises and training; lap swimming and
63 aerobic programs, exercises and training; nutrition-related programs; weight control
64 programs, exercises and training; multiple-step health programs; and any programs,
65 activities, exercise, training or therapy which is referred by a physician or which is paid
66 for by health insurance. For purposes of this subdivision, the term "recreational" or
67 "recreational activities" means all activities not considered to be health-benefit activities,
68 including but not limited to basketball, volleyball, racquetball, karate, dancing, golf, tennis,
69 or any games or competitions.

70 2. All tickets sold which are sold under the provisions of sections 144.010 to 144.525
71 which are subject to the sales tax shall have printed, stamped or otherwise endorsed thereon, the
72 words "This ticket is subject to a sales tax."